

A case study: The Advisory Trust Company of Delaware and a RIA collaborate to provide a winning solution

An RIA ("Advisor") manages \$36 million for HNW client; HNW client passes away; A large trust company ("Trust Company") was named executor and successor trustee; The Advisor risks losing the book of business

The Situation

An Advisor's client passes away. The client was trustee of 13 trusts for the benefit of his children and grandchildren ("beneficiaries") totaling \$36 million, of which \$30 million was with a major Wall Street firm ("Wirehouse").

The client also had \$18 million in personal accounts with the Advisor, additional marketable securities outside of the Wirehouse, a New York City home, and valuable art work.

Because the client had a long standing business relationship with the Trust Company, it was named executor of the estate, trustee of the testamentary trust, and successor trustee of the trusts for the beneficiaries. Clearly, the Advisor's book of business was at risk.

Passing the Baton

After the client's death in October 2008, the beneficiaries met with the Trust Company but were uncomfortable with their proposed investment approach. In addition, none of the beneficiaries had a relationship with the Trust Company.

After several disappointing meetings with the beneficiaries and representatives from the Trust Company, the beneficiaries were determined to retain the Advisor for investment management services, and instructed the family attorney to find an experienced trust company to settle the estate and serve as successor trustee.

The Predicament

While the family's needs were not out of the ordinary, the Advisor did not have the resources to provide estate settlement - so he needed a solution.

The Advisor was directed to The Advisory Trust Company of Delaware. He was told that Advisory Trust works exclusively with financial advisors and truly understands their business needs.

On that suggestion, the Advisor contacted Michael Ingraham, Vice President, National Sales at Advisory Trust, and described to Mike the types of estate settlement and personal trust services the family required.

The Solution – Part A

The Advisory Trust Company of Delaware's service model is built for financial advisors who serve the personal trust market. Advisory Trust offers traditional trust services, i.e., trust administration, record keeping

functions, and trustee services – but with one important distinction – Advisory Trust does not provide investment management services nor do they custody assets. The investment advisor remains the primary point of contact with the client.

The Advisor felt Advisory Trust met his business needs – but the family still needed estate settlement services. Who could fill that void?

The Solution – Part B

When Advisory Trust was acquired by Wilmington Trust in spring 2008, they gained access to Wilmington Trust's exceptional estate settlement capabilities, in addition to many other resources. The next step for the Advisor was to contact the family attorney to present the collaborative solution. In discussions with the family attorney, he mentioned that Murray Stoltz from Wilmington Trust FSB – New York office had made a presentation to his firm. Mike contacted Murray and they agreed that the opportunity was a natural fit.

After reviewing the Will and Trust documents, Murray recommended that a presentation be made to the family and their attorney. At that meeting, the Advisor, Wilmington Trust, and Advisory Trust made presentations on their respective expertise – and won approval by the family to move forward. The family attorney reviewed the Will to determine what steps were necessary to appoint Wilmington Trust as executor and what legal documents may be necessary to file for Wilmington Trust's appointment.

The Win

The family was the real winner. Not only were they able to continue to work with the Advisor with whom they had a personal relationship, their estate settlement and personal trust needs were in experienced hands.

The Advisor won because he was able to maintain his relationship with the family, manage and invest their assets, and bring the trust assets held elsewhere under his management. By partnering with Advisory Trust and Wilmington Trust, the Advisor will manage close to \$38,000,000.

Advisory Trust won since they will earn a recurring annual fee for acting as successor trustee of the trusts.

Wilmington Trust won since they will earn a fee for providing estate settlement in the state of New York.

For more information on this Case Study, contact Mike Ingraham at 302.636.8531 or MIgraham@advisorytrustco.com

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About Advisory Trust

Advisory Trust is part of the Wilmington Trust corporate family, which has been in the wealth management business for 105 years, serving as trustee and advisor for prominent individuals, families, and foundations.

Founded in Wilmington, Delaware, in 1903 by T. Coleman du Pont, one of the great industrialists and entrepreneurs in our nation's history, the [Wilmington Trust](#) corporate family currently serves wealth advisory clients in all 50 states and 36 countries through offices in California, Connecticut, Delaware, Florida, Georgia, Maryland, Massachusetts, Minnesota, New Jersey, New York, and Pennsylvania.

[Advisory Trust](#) has offices in Wilmington, Delaware, and Phoenix, Arizona, and currently oversees approximately \$1.3 billion in assets for more than 1,200 personal trust accounts, providing tax and reporting services.

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